

**14.4%**  
Vacancy Rate



**€19.50**  
Prime Rent, PSQM



**6.50%**  
Prime Yield



**ECONOMIC INDICATORS Q3 2022**

**1.083M**  
Bucharest Employment



**2.4%**  
Bucharest Unemployment Rate



**5.6%**  
Romania Unemployment Rate



Source: Moody's Analytics

**ECONOMY: Inflationary pressures remain constant**

The y-o-y inflation rate reached 14.8% in September in Romania, one of the highest levels in the European Union and, although expected to stabilize in Q4, it is likely to remain in double digits at least until late H1 2023. The monetary policy rate has also been increased by the National Bank of Romania, up to a most recent level of 6.25%, with further increases expected in the following months. The Q3 2022 economic growth has been solid (+ 7.1% y-o-y), but a slowdown may be observed in Q4, as most agencies and analysts forecast a GDP growth ranging between 4-5% for the whole year, which remains a robust level considering the overall impacts of the inflationary pressures and also of the side effects caused by the Russian invasion of Ukraine.

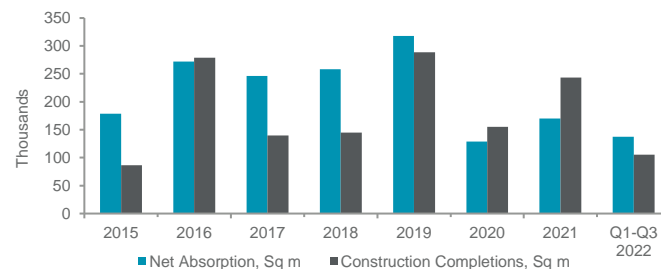
**SUPPLY & DEMAND: Low supply in Q3**

Only one office building has been delivered in Bucharest in Q3, namely Tudor Arghezi 21 (7,000 sq. m GLA) owned and developed by the Hagag Group, as the total office stock in Bucharest was of 3.3 million sq. m. 66,000 sq. m have been transacted in Q3 2022, with the first 9 months of the year recording a total demand of 222,600 sq. m, reflecting an increase of 5% compared with the same period of last year. The overall vacancy rate in the city has slightly decreased to 14.4% as a result of a lack of new deliveries, a level which can be explained by the vacancy rates pertaining to A-class (12%) and B-class (22.6%) office buildings.

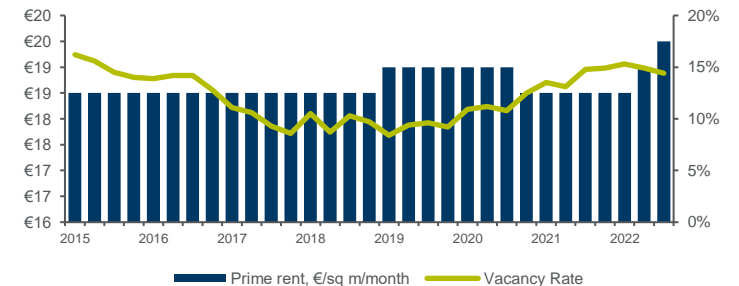
**PRICING: Rental growth continues in CBD**

The prime headline rent in Bucharest continued to increase in Q3 2022, reaching a level of around €19.50/ sq. m/month in the CBD area, with further increases expected in other submarkets in the following 6 – 12 months due to the relatively low office pipeline. There are currently new office projects of 129,000 sq. m GLA which are under construction, a low pipeline compared with the last few years, which comes as a result of the present bureaucratic issues in Bucharest, as very few real estate projects received their building permits during the last 12 - 18 months. One Cotroceni Park II, U-Center II or Equilibrium II are some of the most important projects that are expected to be delivered by the end of 2023.

**SPACE DEMAND / DELIVERIES**



**BUCHAREST VACANCY & ASKING RENT**





## MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	YTD 2022 TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT* (MONTH)
CBD	360,500	34,900	9.7%	5,735	32,861	-	-	€19.50
Center	412,500	34,700	8.4%	5,870	32,550	28,000	39,500	€18.00
Floreasca – Barbu Vacarescu**	569,700	57,500	10.1%	7,833	41,323	-	20,000	€15.00 - 17.50**
Expozitiei	289,800	65,100	22.4%	-	5,724	21,000	35,000	€17.50
Center - West	579,600	78,900	13.6%	33,320	69,889	56,500	34,500	€15.50
North	182,700	36,600	20.0%	2,344	20,217	-	-	€15.00
Dimitrie Pompeiu	440,700	45,700	10.4%	10,854	15,312	-	-	€13.00
Pipera North	210,500	88,500	42.1%	-	1,000	-	-	€11.00
West	165,900	11,500	7.0%	-	-	-	-	€13.00
East	51,100	15,700	30.6%	-	1,501	-	-	€12.00
South	41,800	7,500	17.9%	-	2,200	-	-	€12.00
<b>Bucharest (overall)</b>	<b>3,304,800</b>	<b>476,600</b>	<b>14.4%</b>	<b>65,956</b>	<b>222,577</b>	<b>105,500</b>	<b>129,000</b>	<b>€19.50</b>

\*Rental rates reflect full service asking

\*\*The Floreasca – Barbu Vacarescu submarket has a wider range of full service asking rents

## KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSQM	TYPE
Novo Park	Dimitrie Pompeiu	Infineon Technologies	10,000	Renegotiation + Expansion
Campus 6.1	Center - West	NXP	9,900	Renegotiation
The Grand Offices	Center - West	Teva	2,500	Renegotiation
Timpuri Noi Square	Center	Kruk	1,800	Renegotiation

## KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE
75% of Miro Offices	North	Speedwell / Hili Properties	17,250*	€45M
First Bank HQ	CBD	Local private investor / One United Properties	8,000	€28M
Cascade Offices	CBD	GTC / Crown Holding	4,200	€10M

\*The area pertains to 75% of the building in question

## KEY CONSTRUCTION COMPLETIONS Q3 2022

PROPERTY	SUBMARKET	PROJECT SIZE (SQM)	OWNER / DEVELOPER
Tudor Arghezi 21	Center	7,000	Hagag Group

## VLAD SAFTOIU

Head of Research

+40 21 310 3100 /

vlad.saftoiu@cwechinox.com

## CRISTINA LUPASCU

Director PR & Research

+40 21 310 3100 /

cristina.lupascu@cwechinox.com

[cwechinox.com](http://cwechinox.com)

[cushmanwakefield.com](http://cushmanwakefield.com)

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